Scottish Enterprise
Business Property Review

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This report is the latest in a series of half-yearly updates on property market activity in the Scottish Enterprise (SE) area[1], based on an analysis of the Scottish Property Network (SPN) database at December 2005.

Details of the composition of any data set in this report or further analysis can be provided by SPN. For assistance, please contact SPN on 0141-561 7300.

CONTENTS

[1] The Scottish Enterprise area includes the 12 Local Enterprise areas of Ayrshire, Borders, Dumfries & Galloway, Dunbartonshire, Edinburgh & Lothian, Fife, Forth Valley, Glasgow, Grampian, Lanarkshire, Renfrewshire and Tayside but excludes the Highlands and Islands areas of Scotland.

1 Economic Background & Property Market Summary

Scottish Economic Summary

Provisional figures published by the Scottish Executive in January 2006 show growth of 1.7% in seasonally adjusted Gross Domestic Product (GDP) in Scotland over the year to Q3 of 2005. Growth in Scottish output matched the UK average over the year, but was slightly stronger in Q3 of 2005 at 0.5%, compared to 0.4% for the UK as whole.

The main source of growth was again the service sector, which increased output by 2.7% in the year to Q3, equalling the UK average.

Output in the Scottish production sector fell by 1.3% over the year, compared to a decline of 1.0% for the UK. Manufacturing output also fell in Scotland by 0.4%, compared to marginal growth in the UK of 0.1% for the year. Growth in the Scottish construction sector slowed to 1.2% in the year to September 2005, compared to 1.7% across the UK, although growth in Scottish construction was stronger in Q3 2005, at 1.4%.

Table 1

GDP Seasonally Adjusted	% Change Q3 2005 on Q2 2005	% Change Year to Q3 2005
Scotland	0.5 (0.4)	1.7 (1.7)
Production	-1.0 (-0.6)	-1.3 (-1.0)
Construction	1.4 (0.5)	1.2 (1.7)
Services	0.8 (0.7)	2.7 (2.7)
Note: (UK Figure in brackets)		
Source: Scottish Executive, January 2006		

More recent figures from the Royal Bank of Scotland PMI Scotland Report[2] indicate stronger growth in Scottish private sector output at the start of 2006, with February registering the biggest increase for eight months. Growth was strongest in the service sector, but manufacturing output also increased for the third consecutive month in February, at the fastest rate since July 2005. Over the twelve months to February, reported growth in private sector output in Scotland was close to the UK average and out-performed all regions except London and the South East.

In its commentary on the Index of Leading Economic Indicators[3], The Bank of Scotland predicts a modest slow-down in the Scottish economy in 2006, but suggests that Scotland is performing better than most areas of the UK and can expect a soft economic landing, with growth stabilising towards the end of 2006.

After twelve months without change, the Bank of England MPC cut base interest rates by 0.25% to 4.5% in August 2005 and has held that rate through Q1 2006. With UK inflation (CPI) having stabilised around the 2% target, but with pressure from manufacturers for further reduction in interest rates, commentators are now divided on whether a further cut in base rate can be expected in the short term.

Contrary to the trend in parts of England & Wales, official unemployment figures continue to fall in Scotland, but at a slowing rate. Claimant count unemployment in Scotland stood at 3.2% in December 2005, down 0.1% on the year. The latest Labour Force Survey total employment rate for Scotland was unchanged at 75%. The Royal Bank's PMI Report records twelve consecutive months of increased employment in the Scottish private sector to February 2006, although job-creation was mainly in the service sector with falling employment levels in manufacturing.

[2] Purchasing Managers' Index Scotland Report, Royal Bank of Scotland/ NTC Research, February 2006

[3] The Scottish Index of Leading Economic Indicators, Bank of Scotland, February 2006

Industrial Property Market

Available industrial floorspace in the Scottish Enterprise area increased by 4% in the first half of 2005, but fell again by 8% in the second half. Recorded supply of available floorspace at the end of 2005 (2.19 million sq m) was 4% below the level recorded a year earlier and just 1% above the 5-year average. The number of units on offer fell slightly during 2005 by 3% to 1,907 and was 7% below the 5-year average.

The biggest decline in supply was in modern (post-1990) space, which fell by 13% over the year. There was a significant increase in the number of available units built post-2000, up by 50% to 157, but this growth was in small sizes and the total volume of post-2000 floorspace fell by 6%.

Industrial take-up increased strongly in the first half of 2005, but fell again in the second half of the year. Recorded take-up of floorspace in 2005 was just 2% higher than in 2004, but still 4% below the 5-year average. The number of transactions was 4% below the level recorded in the previous year. The decline was largely in take-up of small units of less than 200 sq m, which fell by 11% over the year.

Edinburgh & Lothian recorded growth of 30% in floorspace taken up, compared to a 20% increase in Glasgow and a 21% rise in Lanarkshire. Grampian, Tayside and Renfrewshire[4] all recorded a significant fall in take-up over the year.

The CB Richard Ellis Quarterly Index[5] reports rental growth of 2.3% for Scottish industrials in 2005 and capital growth of 8%, taking the total annual return to 16.4%, compared to a UK average of 19%.

Office Property Market

Available office floorspace at December 2005 was 3% higher than at the end of 2004 and 14% above the 5-year average. Most of the increase was, however, in older (pre-1980) space, which increased by 20%. Supply of post-2000 floorspace fell marginally over the year.

In Edinburgh City, available office space grew by 14% overall and the supply of floorspace built since 2000 increased by 38%. By contrast, Glasgow recorded an increase of just 2% overall and a fall of 50% in available post-2000 floorspace.

Take-up of office floorspace in 2005 was substantially unchanged from the level recorded in 2004, but still 15% above the 5-year average. The number of recorded transactions was 7% down over the year. Take-up of post-2000 floorspace increased by 14%, while take-up of space built pre-1980 fell by 14%.

Glasgow recorded a dramatic rise in take-up of office space in 2005 of over 54,000 sq m and 86% overall, including a rise of over 42,000 sq m (189%) in post-2000 space. Most of the increased take-up in Glasgow was in large sizes, although there was 17% growth in the number of recorded transactions. By contrast, office take-up in Edinburgh City fell by 52,000 sq m or 48% overall, with a 67% fall in take-up of post-2000 space. The fall in take-up in Edinburgh was mainly in larger sizes, with a 56% reduction in transactions and a 72% fall in floorspace taken up in sizes over 1,000 sq m.

Significant rises in take-up of office space were recorded in Grampian (83%) and Tayside (35%), while take-up fell in Renfrewshire (-53%) and Lanarkshire (-12%).

The CBRE quarterly index[3] reports rental growth of 0.5% for Scottish offices in the final quarter of 2005, taking growth for the year to 0.6%. Despite this relatively low rental growth, capital growth of 13.9% in 2005 made offices the strongest performing sector in Scotland with an average total return of 21.7%.

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[4] In this report, references to Renfrewshire mean the SE Local Enterprise area, including the 3 local authority areas of East Renfrewshire, Inverclyde and Renfrewshire.

[5] Scottish Quarterly Index, 4th Quarter 2005, CB Richard Ellis

2 Industrial Stock

SPN holds information on over 18.2 million sq m of 'standard'[6] industrial accommodation in Scotland of which, 17.9 million sq m is in the Scottish Enterprise area. The distribution of stock across the 12 Local Enterprise (LEC) areas is shown in Table 2 below. Lanarkshire has the biggest proportion of industrial floorspace at 22%, and 45% of all space is located in the four Clyde Valley LEC areas[7].

Table 2

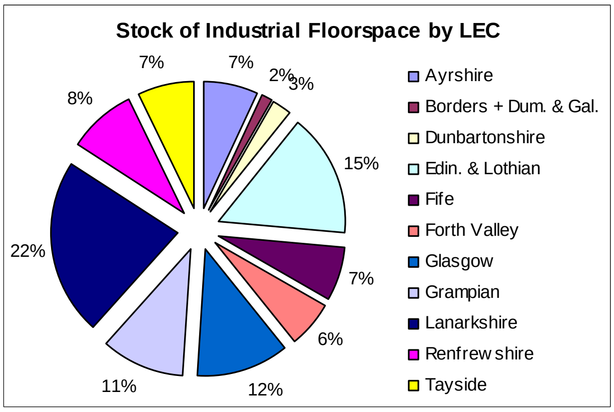
All Industrial Stock Recorded by SPN September 2005		
	Units	Floorspace (sq m)
Ayrshire	1,532	1,223,761
Borders	379	158,044
Dumfries & Galloway	667	462,563
Dunbartonshire	184	119,093
Edinburgh & Lothian	2,857	2,752,397
Fife	1,533	1,242,591
Forth Valley	1,378	1,066,207
Glasgow	2,779	2,118,728
Grampian	2,413	1,925,435
Lanarkshire	4,072	4,041,438
Renfrewshire	1,435	1,499,614
Tayside	1,600	1,318,269
Scottish Enterprise	**20,829**	**17,928,140**

As shown by Figure 2, 64% of floorspace was built before 1980 and just 15% has been built since 1990. Only 3% of recorded floorspace was built since 2000, reflecting low levels of new industrial development in recent years.

Edinburgh & Lothian and Renfrewshire have the highest proportions of modern stock with just under 20% built post-1990 and around 5.5% post-2000. Forth Valley also has a higher than average percentage of floorspace built post-2000 at 4%, but a low proportion of 1990s space. Grampian and Dunbartonshire both have comparatively low levels of stock built since 2000 at less than 1% (Figure 3).

As shown in Figure 4, the size profile of industrial stock varies significantly by LEC area. Grampian has a particularly low proportion of stock in units under 200 sq m, while Borders and Dunbartonshire have a relatively low percentage of large units over 999 sq m.

Figure 1



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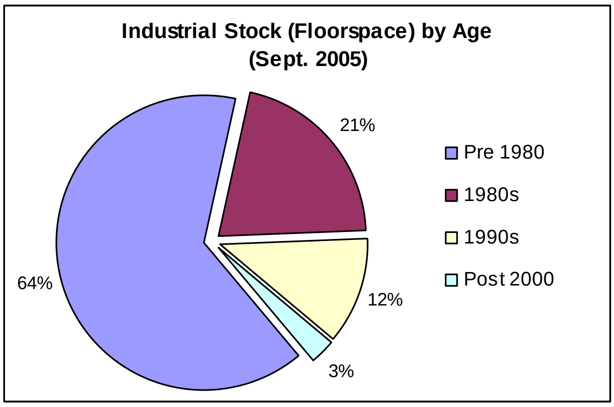

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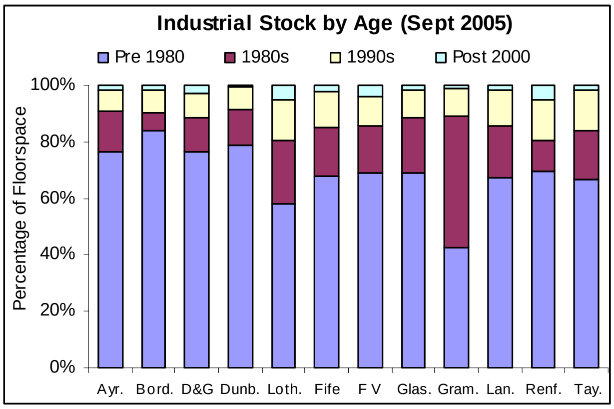

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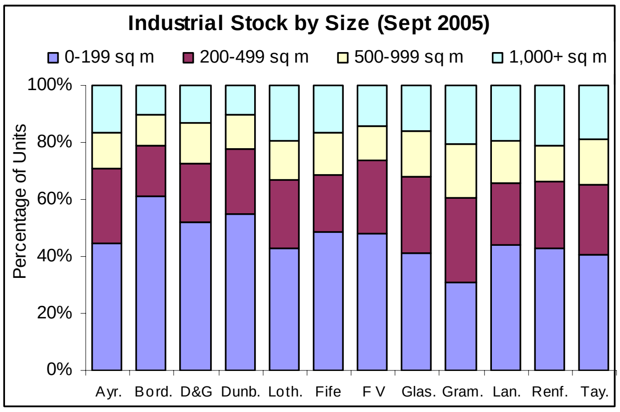

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[6] This includes all industrial units within recognised industrial estates or industrial areas, but excludes large single-user facilities and 'non standard' premises. Premises identified as 'business units', 'yards' or 'open storage' are also excluded from this analysis.

[7] Dunbartonshire, Glasgow, Lanarkshire and Renfrewshire.

3 Industrial Supply

At December 2005, SPN recorded 1,907 available industrial units totalling 2,188,763 sq m in the SE area.

Industrial supply increased slightly in the first half of 2005, but declined in the second half of the year. At the end of 2005, available floorspace was just 4% below the level recorded a year earlier and the number of units on offer was 3% lower.

The supply of floorspace at December was close to the 5-year average and just 3% below the 3-year average. The number of available units was 7% below the 5-year average and 4% below the 3-year average.

The supply of modern floorspace decreased in 2005, with a fall of 13% in post-1990 space. There was a significant increase in the number of post-2000 units on the market (50%) to 157, but mainly in small sizes and the total volume of post-2000 floorspace fell by 6%.

There was a marginal increase in space available in small units of less than 200 sq m, but available floorspace declined in all larger size-bands. Supply of units in the 500-999 sq m band fell by 9% and the number of units over 999 sq m decreased by 5% (Figure 6).

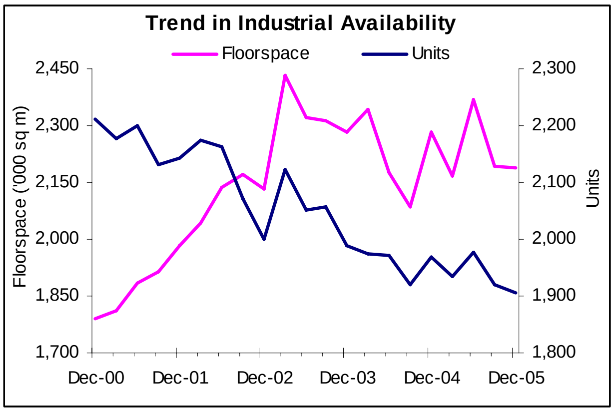
Substantial decreases in supply were recorded in the small LEC areas of Borders (-44%), Dumfries & Galloway (-61%) and Dunbartonshire (-39%), as shown by Figure 7. No LEC area recorded strong growth in supply in 2005. The biggest increase in available floorspace was in Ayrshire, at 12%, while Glasgow and Tayside recorded increases of around 9%.

At the end of 2005, Lanarkshire provided 23% of all available industrial floorspace in the Scottish Enterprise area, which reflects the proportion of total stock in that LEC area. Just under half (49%) of all floorspace is in the Clyde Valley area.

Edinburgh & Lothian has the second biggest industrial supply, providing 15% of all floorspace, as shown by Figure 8.

The distribution of available supply across all 12 LEC areas is shown in Table 3 overleaf.

Figure 5



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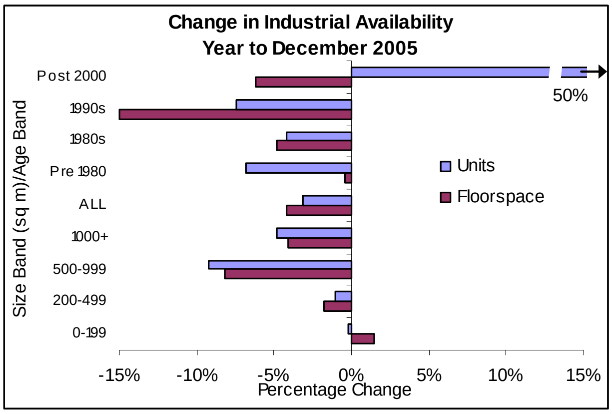

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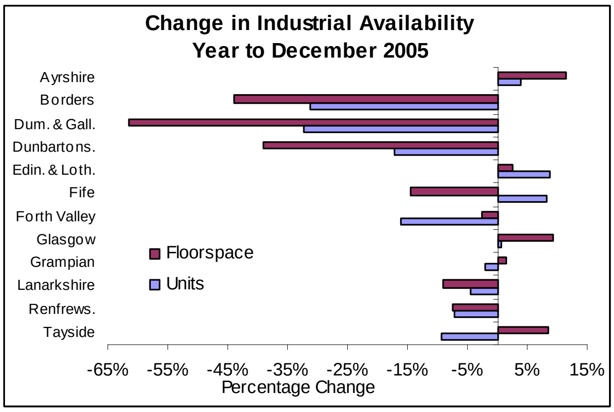

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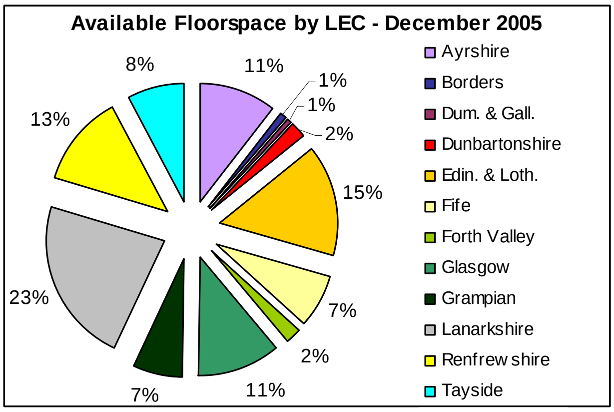


Table 3

Available Industrial Supply December 2005	Units	Floorspace (sq m)
Ayrshire	183	230,938
Borders	44	18,214
Dumfries & Galloway	21	13,096
Dunbartonshire	68	47,715
Edinburgh & Lothian	272	335,172
Fife	131	154,408
Forth Valley	73	54,450
Glasgow	256	243,430
Grampian	244	151,393
Lanarkshire	321	495,351
Renfrewshire	157	276,113
Tayside	137	168,483
Scottish Enterprise	**1,907**	**2,188,763**

Table 4

Industrial Availability December 2005		
	Rate of Availability	
	Units	Floorspace
Ayrshire	12%	19%
Borders	12%	12%
Dumfries & Galloway	3%	3%
Dunbartonshire	10%	10%
Edinburgh & Lothian	10%	12%
Fife	9%	12%
Forth Valley	5%	5%
Glasgow	9%	11%
Grampian	10%	8%
Lanarkshire	8%	12%
Renfrewshire	11%	18%
Tayside	9%	13%
Scottish Enterprise	**9%**	**12%**

Availability at December represented 12% of total recorded floorspace and 9% of units. As shown by Table 4, the proportion of stock currently available in Edinburgh & Lothian, Fife, Glasgow, Lanarkshire and Tayside is close to this average. The rate of availability is higher in Ayrshire and Renfrewshire and low in Forth Valley and Dumfries & Galloway. Grampian has a low rate of availability in terms of floorspace, but the percentage of units on the market is close to average.

In the SE area, 22% of available floorspace was built post-1990 and 7% post-2000. As shown by Figure 9, Forth Valley has a high percentage of available accommodation in modern space with 52% built post-1990 and 12% built post-2000. Edinburgh & Lothian and Renfrewshire both have a high proportion of space built post-2000. Tayside has 31% of space built post-1990, but only 5% built post-2000. Ayrshire has a low supply of modern space, with only 8% of floorspace built in the 1990s and no post-2000 space. Glasgow also has a comparatively low proportion of supply in post-1990 accommodation at 11%, but with 6% post-2000.

One third of all available supply is in small units under 200 sq m and 25% is in large units over 999 sq m. As shown by Figure 10, supply in Renfrewshire continues to be strongly biased towards large units with 44% over 999 sq m and only 16% under 200 sq m. Edinburgh & Lothian and Tayside also have a relatively high proportion of supply in large units, while availability in Borders, by contrast, is predominantly in small units.

Figure 9

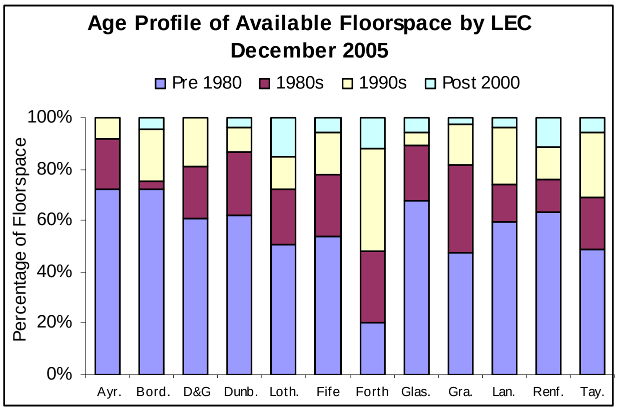
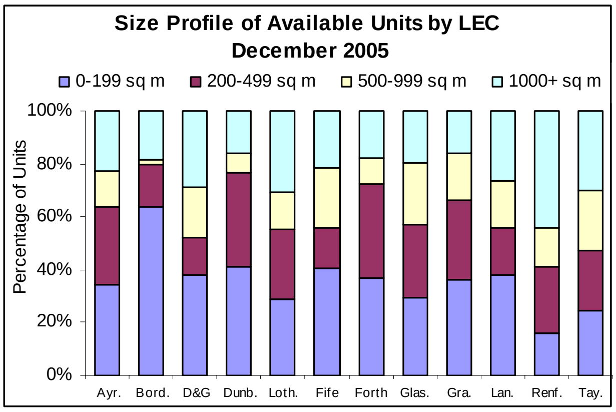


Figure 10



4 Industrial Take-up

SPN recorded take-up of 571,040 sq m in 1,012 industrial units in the SE area in 2005.

The trend in take-up monitored directly by SPN[8] is shown in Figure 10. Industrial take-up increased in the first half of 2005, but fell again in the second half of the year. Take-up of industrial floorspace in 2005 was just 2% higher than in 2004, but the number of transactions was 4% lower.

The volume of floorspace taken up in 2005 was 3% above the 3-year average but 4% below the 5-year average. The number of transactions was 2% below the 3-year average and 5% below the 5-year average.

Take-up of small units (less than 200 sq m) fell by 11% and the volume of floorspace taken up in this size band decreased by 16%. Take-up increased in larger sizes, mainly in the 200-499 sq m band, where take up rose by 12% in units and by 13% in floorspace. In sizes over 499 sq m there was a small increase in floorspace taken up, but a slight decline in the number of transactions.

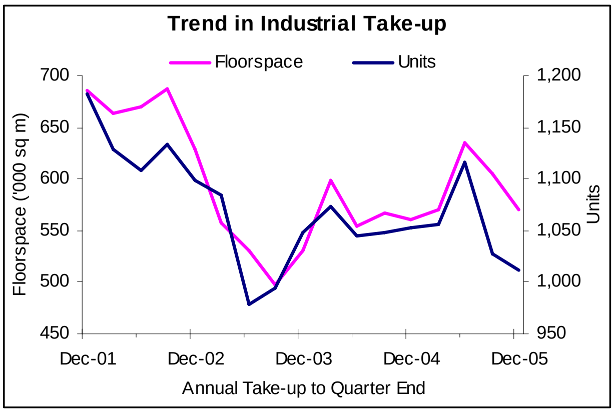
Strong growth was recorded in take-up of space built post-2000 (29%), but take-up of 1990s floorspace decreased (-24%). Most of the growth in take-up, in terms of volume, was in older (pre-1980) floorspace, which increased by 9% or 25,000 sq m.

The biggest increase in absolute volume was again in Edinburgh & Lothian, with an increase of over 28,000 sq m or 30% over the previous year. Lanarkshire also recorded a significant increase of 21,000 sq m in floorspace taken up (15%), while take-up in Glasgow increased by 14,000 sq m (20%).

Dunbartonshire recorded the biggest percentage growth in take-up in 2005, of over 500%, but this was a reflection of very low take-up in the previous year in a small market. Significant rises in take-up were also recorded in Dumfries & Galloway (46%) and Fife (17%). Renfrewshire and Tayside both recorded substantial decreases in take-up of floorspace of 48% and 54% respectively (Figure 13).

Edinburgh & Lothian and Lanarkshire each accounted for 22% of all industrial floorspace taken up in 2005, as shown by Figure 14. Just under half of all take-up (48%) was in the Clyde Valley, with 14% in Glasgow.

Figure 11



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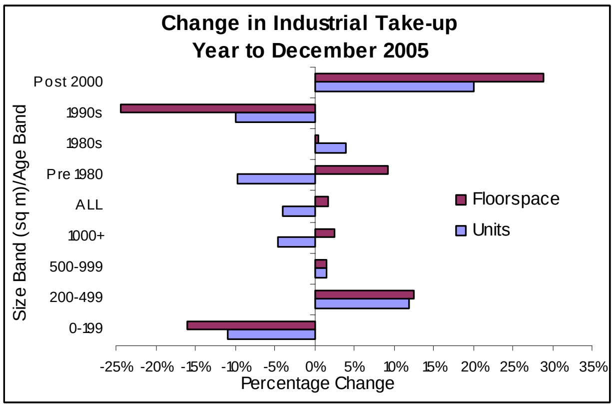

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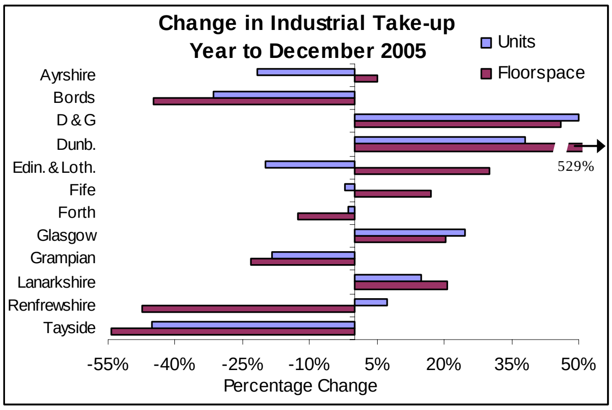

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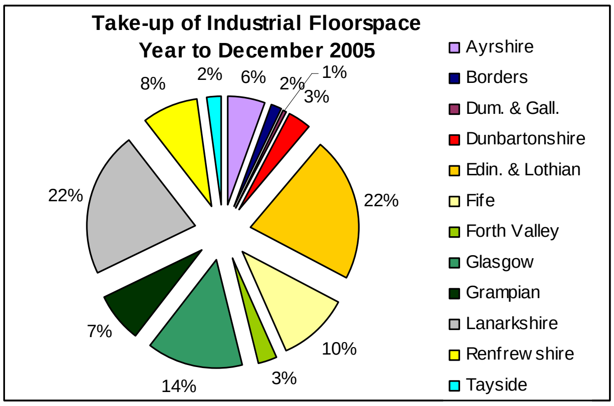


[8] Take-up is based on change recorded in availability identified as a lease or a sale for occupation by the marketing agent.

The average annual take-up for each LEC area, estimated from the total recorded take-up in the 3 years to September 2005, is shown in Table 5. Based on this estimate, availability at December 2005 is shown in Figure 15 as a number of years' average take-up.

Available supply in the Scottish Enterprise area represented 1.7 years' supply of units and 3.3 years' take-up of floorspace.

Supply of industrial floorspace is particularly low, relative to average take-up, in Borders at less than 1 years' supply and in Forth valley at 1.3 years' supply. Ayrshire, Tayside and Dunbartonshire all have a comparatively high supply of floorspace at 6.7, 6.0 and 4.9 years' supply respectively.

Supply of small units remains relatively low at just 1.1 years' supply across the SE area, as does the supply of post-1990 units at 1.5 years' supply.

The supply of small units (<200 sq m) is particularly low, compared to average take-up, in Forth Valley at 0.6 years' supply and in Renfrewshire at just 0.8 years' supply.

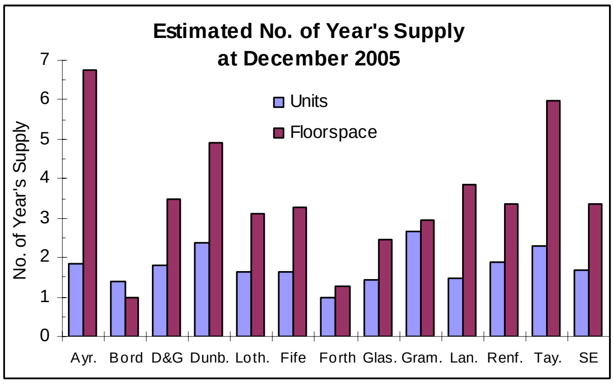
Glasgow has a low supply of post-1990 units at only 1.3 years' supply.

Table 5

Average Annual Take-up*	Units	Floorspace (sq m)
All Scotland	1,185	674,929
SE Area	1,132	654,504
Central Scotland	933	551,463
Ayrshire	100	34,264
Borders	32	18,589
Dumfries & Galloway	15	4,660
Dunbartonshire	29	9,754
Edinburgh & Lothian	168	107,848
Fife	81	46,916
Forth Valley	76	42,992
Glasgow	179	98,372
Grampian	92	51,607
Lanarkshire	218	128,924
Renfrewshire	84	82,394
Tayside	59	28,184

* 3 years to September 2005

Figure 15



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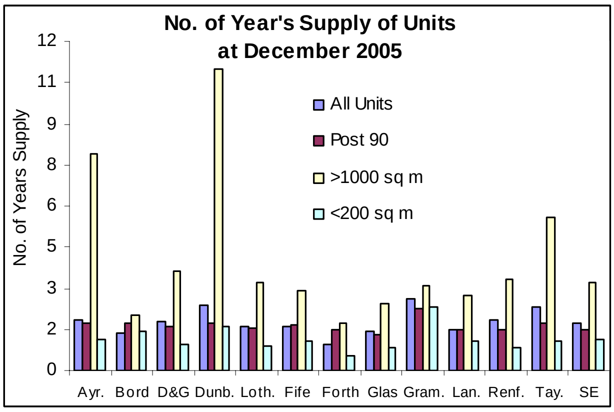


6 Office Supply

At December 2005, SPN recorded 901,981 sq m of available office and business floorspace in 2,215 premises in the Scottish Enterprise area. This reflects only accommodation that is immediately available for occupation and excludes around 570,000 sq m that is offered in advance of construction or still under construction.

The total available floorspace logged by SPN includes premises that are 'under offer'. At the end of December 2005 these totalled 73,000 sq m or 8% of total supply.

Despite a slight fall in Q3, the long-term upward trend in the supply of office floorspace continued in 2005. At December, available floorspace was 3% higher than at December 2004 and 14% above the 5-year average. The number of premises on offer increased by 4% over the year.

As in 2004, most of the increase in supply in 2005 was in older (pre-1980) space, which rose by 20% as shown in Figure 18. There was some growth in the number of premises built since 2000 (14%), but a marginal decline in the volume of post-2000 floorspace on the market. Availability of floorspace built post-1990 increased by just 2%, while the supply of 1980s space decreased by 33%.

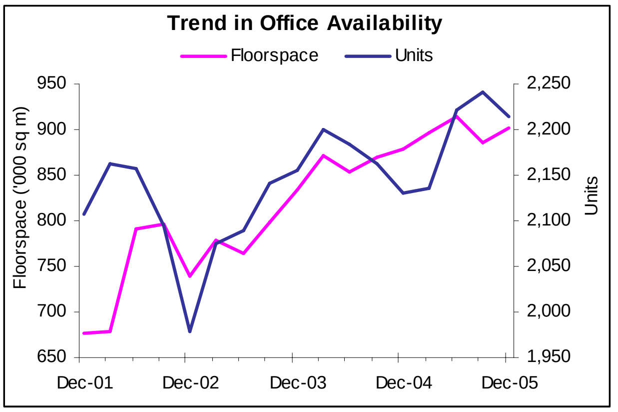
Edinburgh & Lothian recorded a rise of 12% in available office floorspace, although there was virtually no change in the number of premises on offer. Available floorspace in Edinburgh City increased by 14%, with a 38% rise in post-2000 space.

Glasgow City, by comparison, recorded a rise of just 2% in available floorspace, with a decline of 50% in the supply of post-2000 space. The supply of older (pre-1980) space in Glasgow increased by 60%, as illustrated by Figure 19.

Edinburgh City now provides 29% of all available office space in the SE area, compared to 26% in Glasgow. However, 35% of all available floorspace built since 2000 is located in Edinburgh, with just 16% in Glasgow.

Significant increases in available office space were recorded in the very small Dumfries & Galloway market (71%) and in Renfrewshire (23%). In Dunbartonshire, supply fell by 42%, while Lanarkshire and Tayside recorded decreases of 18% and 10% respectively. Supply in Grampian recorded a marginal fall (Figure 20).

Figure 17



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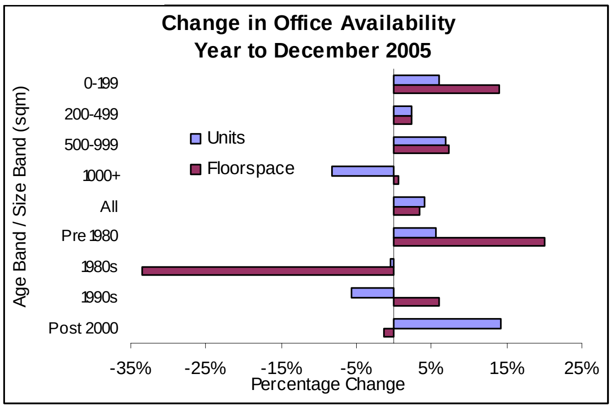

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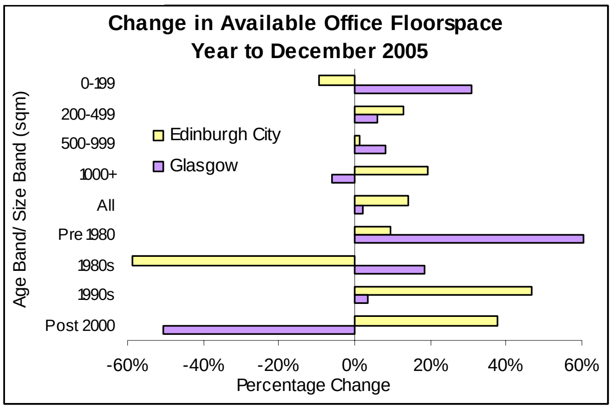
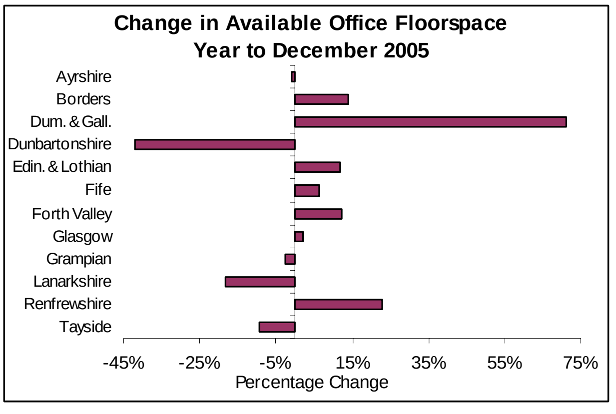


Figure 20



6 Office Take-up

Office take-up recorded in 2005 totalled 285,042 sq m in 1,123 transactions. In terms of floorspace, this was substantially unchanged from the level recorded in 2004, although the number of transactions was 7% higher.

The number of transactions recorded in 2005 was close to the 5-year average, but the volume of floorspace taken up was 15% above the 5-year average.

Take-up of post-2000 space increased strongly in 2005, by 15,000 sq m or 14%. Take-up of 1980s floorspace increased by 40%, but total take-up in this age-band is quite low and the increase was just 5,500 sq m. Take-up of pre-1980 floorspace decreased by 14%, or 14,600 sq m.

Glasgow recorded the strongest growth in take-up in 2005, up by 86% overall, including a rise of over 42,000 sq m, or 189%, in floorspace built post-2000. Most of the increase in take-up in Glasgow was in large sizes, with growth of 237% or 43,000 sq m of additional take-up in sizes of 1,000 sq or more. The number of transactions increased in Glasgow by 17%.

In Edinburgh City, by contrast, office take-up fell by 48% overall, with a 67% (33,000 sq m) fall in take-up of post-2000 space.

In 2005, 41% of all take-up of office floorspace in the SE area was in Glasgow, compared to just 19% in Edinburgh. More than half (53%) of all take-up of post-2000 space was in Glasgow, with just 14% in Edinburgh.

Significant increases in take-up were recorded in Grampian (83%) and Tayside (35%), while take-up fell in Renfrewshire (-53%) and in Lanarkshire (-12%).

Based on the average annual take-up over 3 years to September 2005, available supply in the SE area at December 2005 represented 1.9 years' take-up of units and 3.3 years' supply of floorspace.

Supply of office space, relative to average take-up, is now lower in Glasgow at 2.7 years' supply and higher in Edinburgh at 3.6 years' supply. As shown by Figure 23, office supply is high, compared to average take-up, in Ayrshire, Fife and Tayside.

Figure 21

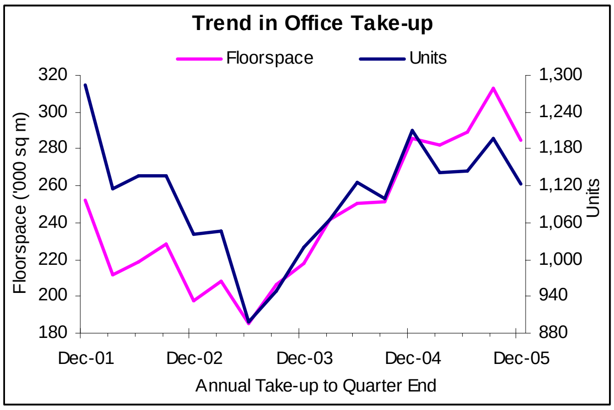


Figure 22

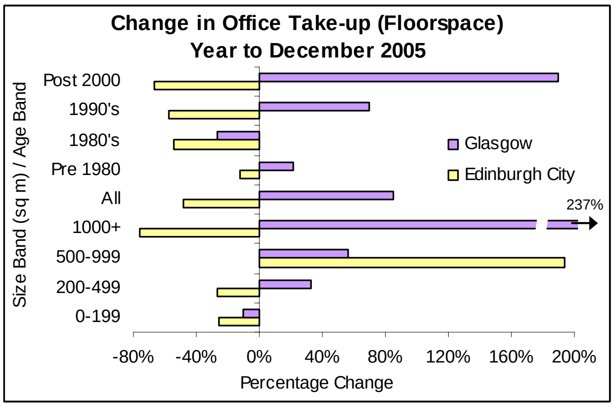


Figure 23

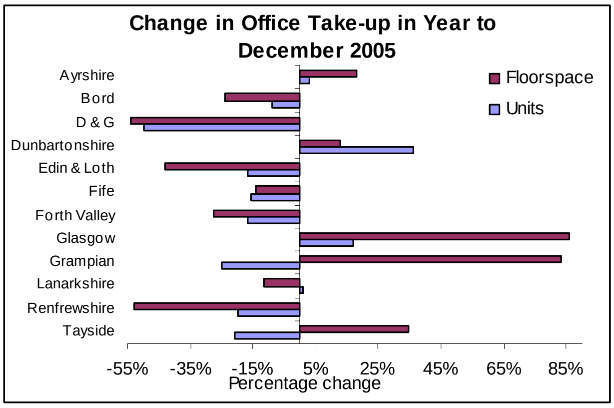
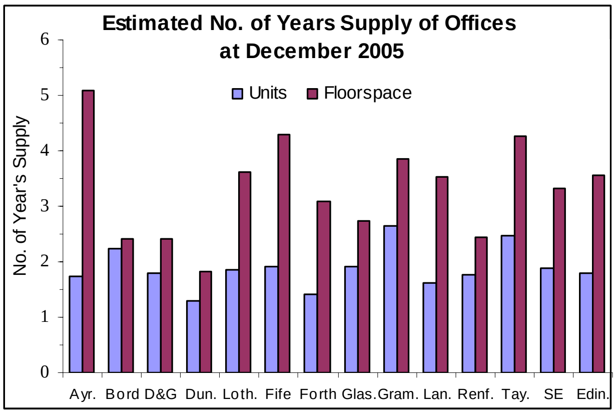


Figure 24



7 Summary of Main Findings in LEC areas

A summary of key findings from SPN's analysis of market activity in each of the twelve Local Enterprise areas is provided below:

SE Ayrshire

Industrials

- Available industrial floorspace in Ayrshire increased by 12% in 2005. At December, available floorspace was 12% above the 5-year average, but the number of units on offer was 11% below the 5-year average
- Across Central Scotland, the supply of industrial floorspace fell by 4% in 2005
- Ayrshire has a low supply of modern space, with only 8% of available floorspace built post-1990 and 1% built post-2000. On average across Central Scotland, 22% of available industrial space is post-1990 and 7% post-2000.
- Take-up of industrial floorspace in 2005 in Ayrshire was 5% higher than in 2004, but the number of transactions was 22% lower. Central Scotland recorded a rise of 10% in floorspace taken up in 2005 and a 2% rise in the take-up of units.
- Take-up of industrial floorspace in Ayrshire in 2005 was 19% below the 5-year average.
- Available floorspace in Ayrshire at December 2005 represented approximately 6.7 years' average take-up.

Offices

- The supply of available office and business floorspace in Ayrshire was substantially unchanged over the course of 2005, while across Central Scotland office supply increased slightly by 4%.
- Take up of office space in Ayrshire in 2005 was 18% higher than in 2004.
- Total available office and business space in Ayrshire at December 2005 represented around 5 years' average take-up.

SE Borders

Industrials

- Industrial supply decreased in Scottish Borders in 2005 to the lowest level yet recorded by SPN. The number of industrial units on offer at December 2005 was 31% lower than a year earlier and available floorspace was 44% lower.

- A high proportion of supply in Borders is in small units and in premises built pre-1980.

- Take-up of industrial floorspace in Borders in 2005 was 45% below the level recorded in 2004 and the number of transactions was 31% lower. By comparison, Central Scotland recorded a rise of 10% in floorspace taken up in 2005 and a 2% rise in the take-up of units.

- Approximately 70% of all industrial take-up in Borders in 2005 was in accommodation built pre-1980. Only 6% of floorspace taken up was in post-1990 premises.

- Available floorspace in Borders at December 2005 represented just 1 years' average take-up. This is a low level of supply relative to average take-up and compares to 3.3 years' supply of floorspace in Central Scotland and 2.8 years' supply in neighbouring Dumfries & Galloway.

Offices

- Available office space in Borders increased by 14% in 2005 and the number of office premises on the market increased by 49%.

- A high proportion of available office accommodation in Borders is in accommodation built pre-1980 at 77%. Only 9% of available space was built post-1990 and none was built post-2000.

- Take up of office space in Borders in 2005 was 24% below the level recorded in 2004 and 29% below the 3-year average. By comparison, take-up of office floorspace in Central Scotland decreased by just 6%.

- Available office space in Borders at December 2005 represented around 2.4 years' average take-up. This level of supply is low relative to average take-up and compares to 3.2 years' supply of office space in Central Scotland.

SE Dumfries & Galloway

Industrials

- Available industrial supply in Dumfries & Galloway decreased during 2005. The number of available units at December 2005 was 32% lower and available floorspace was 61% lower than a year earlier.
- Supply of floorspace at the end of 2005 was 47% below the 3-year average and the number of available units was 28% below the 3-year average.
- Dumfries & Galloway had no available industrial space built post-2000, although one-third of available units were built in the 1990s.
- Take-up of industrial floorspace in Dumfries & Galloway in 2005 was 46% higher than in 2004 and the number of transactions was 50% higher. Central Scotland recorded a rise of 10% in floorspace taken up in 2005 and a 2% rise in the take-up of units.
- Growth in take-up was strongest for small units. Very little take-up was recorded for units over 200 sq m.
- Available floorspace in Dumfries & Galloway at December 2005 represented approximately 2.8 years' average take-up. This compares to approximately 3.3 years' supply in Central Scotland.

Offices

- Available office space in Dumfries & Galloway increased by 71% in 2005.
- Office supply is predominantly in accommodation built pre-1980 and in small sizes.
- Take up of office space in Dumfries & Galloway in 2005 was 54% below the level recorded in 2004 and the number of transactions was 50% lower.
- Office supply in Dumfries & Galloway at December 2005 represented around 3.1 years' average take-up of floorspace. On average, Central Scotland has around 3.2 years' supply of office space.

SE Dunbartonshire

Industrials

- Industrial availability in Dunbartonshire continued its recent downward trend in 2005, with a further decrease of 39% in available floorspace and a 17% reduction in units. Across Central Scotland in 2005, the supply of industrial floorspace fell by 4%.

- At December 2005, available floorspace in Dunbartonshire was 34% below the 5-year average and the number of units on the market was 11% below the 5-year average.

- Available supply in Dunbartonshire is largely in small to medium sized units, with 41% of units under 200 sq m, compared to a Central Scotland average of 32%. Most modern space in Dunbartonshire is in small units.

- Take-up of industrial space in Dunbartonshire increased dramatically from the very low level recorded in 2004. The number of transactions increased by 38% and the volume of floorspace taken up rose by more than 500%.

- Take-up of floorspace in 2005 was 91% above the 5-year average, although the number of transactions was marginally below the 5-year average.

- Based on average take-up over the last three years, available floorspace in Dunbartonshire at December 2005 represented approximately 4.9 years' average take-up; however at the 2005 level of take-up there was only 2.6 years' supply.

Offices

- Available office space in Dunbartonshire decreased by 42% during 2005 to the lowest level recorded by SPN.

- Dunbartonshire has a relatively low supply of modern office space, with only 26% built post-1990 and only 2% post-2000. Across Central Scotland as a whole, 55% of available office space is post-1990 and 32% post-2000.

- Take up of office space in Dunbartonshire in 2005 was 13% above the level recorded in 2004 and the number of transactions was 36% higher. This contrasts with a slight fall in take-up across Central Scotland.

- Available office space in Dunbartonshire at December 2005 represented only 1.8 years' average take-up. By comparison, Central Scotland has approximately 3.2 years' supply of office floorspace.

SE Edinburgh & Lothian

Industrials

- The number of industrial units on offer in Edinburgh & Lothian at December 2005 was 9% higher than a year earlier, but available floorspace increased by just 3% over the year.
- Available floorspace fell in Edinburgh City by 6% and in West Lothian by 5%, although Livingston recorded a rise of 11%. Across Central Scotland in 2005, the supply of industrial floorspace fell by 4%.
- A relatively high proportion of Edinburgh & Lothian floorspace is modern, with 28% built since 1990 and 15% post-2000. On average across Central Scotland, 22% of available industrial space is post-1990 and only 7% post-2000.
- Take-up of industrial floorspace in Edinburgh & Lothian in 2005 was 30% higher than in 2004, but the number of transactions was 20% lower. Central Scotland recorded a rise of 10% in floorspace taken up in 2005 and a 2% rise in the take-up of units.
- Growth was strongest in Edinburgh City, where take-up of floorspace increased by 69%, although the number of transactions was down by 22%.
- Available floorspace in Edinburgh & Lothian at December 2005 represented approximately 3.1 years' average take-up. West Lothian had only 2.5 years' supply of floorspace, compared to 3.3 years' supply in Edinburgh City.

Offices

- Available office space in Edinburgh City increased by 14% in 2005, mainly in 1990s and post-2000 accommodation, with reduced supply of older floorspace.
- A high proportion of available office accommodation in Edinburgh & Lothian is modern, with 41% of floorspace built post-2000, compared to a Central Scotland average of 32%.
- Take up of office space in Edinburgh City in 2005 was 48% below the high level recorded in 2004. Within Edinburgh & Lothian, only West Lothian recorded an increase in office take-up in 2005 (13%).
- Available office space in Edinburgh City at December 2005 represented around 3.6 years' average take-up.

SE Fife

Industrials

- Available floorspace in Fife at December 2005 was 14% lower than at December 2004, although the number of available units increased by 8% from the low level recorded a year earlier. Across Central Scotland in 2005, the supply of industrial floorspace fell by 4%, with a marginal fall in the number of units.

- At December, available floorspace was 9% below the 5-year average and the number of units on offer was 24% below the 5-year average.

- The decline in supply was confined to modern space in large units, while availability increased in small sizes and older floorspace. Fife now has a relatively high proportion of supply in small units (<200 sq m) at 40%, compared to a Central Scotland average of 32%.

- Take-up of industrial floorspace in Fife in 2005 was 17% higher than in 2004, but the number of transactions was marginally lower. Central Scotland recorded a rise of 10% in floorspace taken up in 2005 and a 2% rise in the take-up of units.

- Take-up of industrial floorspace in Fife in 2005 was 42% above the 5-year average and the number of transactions was 6% above the 5-year average.

- Available floorspace in Fife at December 2005 represented approximately 3.3 years' average take-up, which equals the average number of years' supply across Central Scotland.

Offices

- Available office and business space in Fife increased by 6% in 2005, mainly in accommodation built since 2000.

- A high proportion of available office accommodation in Fife is modern, with 70% of floorspace built since 1990 and 37% post-2000. On average, 55% of Central Scotland supply is post-1990 and 32% post-2000.

- Take up of office space in Fife in 2005 was 14% below the level recorded in 2004 and the number of transactions was 16% lower. However, take-up of floorspace in 2005 was 6% above the 5-year average.

- Available office space in Fife at December 2005 represented around 4.3 years' average take-up.

SE Forth Valley

Industrials

- Available industrial floorspace in Forth Valley at December 2005 was just 3% lower than at December 2004, but the number of available units was 16% lower. Across Central Scotland in 2005, the supply of industrial floorspace fell by 4%, with a marginal fall in the number of units.

- At December, available floorspace was 19% below the 5-year average and the number of units on offer was 20% below the 5-year average.

- The decline in supply in 2005 was confined to Falkirk, where available floorspace decreased by 5% and the supply of units fell by 26%. Stirling recorded an increase of 43% in floorspace and of 36% in available units.

- Supply in Forth Valley is relatively modern, with 52% of floorspace built post-1990, compared to a Central Scotland average of 22%. Stirling has a particularly high proportion of supply in post-1990 accommodation at 78%.

- Take-up of industrial floorspace in Forth Valley in 2005 was 12% lower than in 2004 and 28% below the 5-year average. The number of transactions was unchanged from 2004 and just 2% below the 5-year average.

- Stirling recorded an increase in take-up of floorspace in 2005 of 67%, while Falkirk saw a decline of 28%. However, Stirling accounted for only 20% of Forth Valley industrial take-up in 2005.

- Available floorspace in Forth Valley at December 2005 represented just 1.4 years' average take-up. This is significantly below the Central Scotland average of 3.3 years' supply.

Offices

- Available office and business space in Forth Valley increased by 12% in 2005, but with no significant change in the number of premises on offer. At December 2005, available office space was 9% below the 5-year average.

- A high proportion of office supply in Forth Valley is in small sizes, with 72% of available premises under 200 sq m, compared to a Central Scotland average of 57%. More than 90% of premises taken-up in 2005 were of less than 200 sq m.

- Take up of office space in Forth Valley in 2005 was 28% below the level recorded in 2004 and the number of transactions was 17% lower. Take-up of office space in 2005 was 29% below the 5-year average.

- Available office space in Forth Valley at December 2005 represented around 3.1 years' average take-up. This is close to the Central Scotland average of 3.2 years' supply.

SE Glasgow

Industrials

- Available industrial floorspace increased in Glasgow by 9% in 2005, although the number of available units was substantially unchanged. The supply of floorspace at the end of 2005 was 11% below the 5-year average.
- Growth in supply was strongest in small units and in modern space built since 2000.
- Despite the recent increase in modern accommodation, the age profile of available floorspace in Glasgow remains older than average
- Take-up of industrial floorspace in Glasgow in 2005 was 20% higher than in 2004 and the number of transactions was 25% higher. By comparison, Central Scotland recorded a rise of 10% in floorspace taken up in 2005 and a 2% rise in the take-up of units.
- Growth in take-up was strongest for accommodation built post-2000 and in the 200-999 sq m size range. Take-up declined in sizes under 200 sq m and over 999 sq m.
- Available floorspace in Glasgow at December 2005 represented 2.5 years' average take-up. This is a low level of supply relative to average take-up and compares to 3.3 years' supply of floorspace in Central Scotland.

Offices

- Available office space in Glasgow increased by just 2% in 2005 and the number of office premises on the market increased by 10%.
- Growth in supply was mainly in accommodation built pre-1980. The supply of post-2000 space fell by 50% in 2005, reflecting strong take-up of modern space. Glasgow now has a comparatively low supply of modern office accommodation.
- Take up of office space in Glasgow in 2005 was 86% above the level recorded in 2004 and 60% above the 5-year average. By comparison, take-up of office floorspace in Central Scotland decreased by 6%.
- Growth in take-up was strongest for modern space with a rise of 189% in take-up of post-2000 floorspace.
- Available office space in Glasgow at December 2005 represented around 2.7 years' average take-up. This compares to 3.2 years' supply of office space in Central Scotland and 3.6 years' supply in Edinburgh.

SE Grampian

Industrials

- Industrial supply in Grampian did not change substantially in 2005. The number of industrial units on offer at December 2005 was just 2% lower than a year earlier and available floorspace was 2% higher.

- Available floorspace decreased by 6% in Aberdeen City in 2005, but increased by 15% in Aberdeenshire.

- A comparatively low proportion of Grampian supply is in post-1990 accommodation and Aberdeen City has no available supply of space built post-2000.

- Take-up of industrial floorspace in Grampian in 2005 was 23% below the level recorded in 2004 and the number of transactions was 18% lower. By comparison, Central Scotland recorded a rise of 10% in floorspace taken up in 2005 and a 2% rise in the take-up of units.

- Available floorspace in Grampian at December 2005 represented 2.9 years' average take-up. Aberdeen had just 2.5 years' supply, compared to 4.2 years supply in Aberdeenshire.

Offices

- Available office space in Grampian decreased marginally by just 3% in 2005, but the number of office premises on the market increased by 12%.

- In Aberdeen, available floorspace decreased by 4%, while Aberdeenshire recorded an increase of 22%.

- Grampian has a relatively low proportion of office supply in modern accommodation.

- Take up of office space in Grampian in 2005 was 83% above the level recorded in 2004 and 20% above the 5-year average. By comparison, take-up of office floorspace in Central Scotland decreased by 6% in 2005.

- Available office space in Grampian at December 2005 represented around 3.9 years' average take-up. This compares to 3.2 years' supply of office space in Central Scotland and 4.3 years' supply in Tayside.

SE Lanarkshire

Industrials

- Available industrial floorspace decreased in Lanarkshire by 9% in 2005 from the high level recorded in 2004. Despite this decrease, the supply of floorspace at the end 2005 was still 15% above the 5-year average.

- Lanarkshire has a relatively high proportion of available floorspace in 1990s accommodation, but relatively little space built since 2000.

- Take-up of industrial floorspace in Lanarkshire in 2005 was 21% higher than in 2004 and the number of transactions was 15% higher. By comparison, Central Scotland recorded a rise of 10% in floorspace taken up in 2005 and a 2% rise in the take-up of units.

- Growth in take-up was confined to North Lanarkshire, with strong growth in Cumbernauld.

- Available floorspace in Lanarkshire at December 2005 represented 3.8 years' average take-up. This is a high level of supply relative to average take-up compared to a Central Scotland average of 3.3 years' supply. South Lanarkshire has only 2.9 years' supply of floorspace, compared to 4.6 years' supply in North Lanarkshire.

Offices

- Available office space in Lanarkshire decreased by 18% in 2005 to end the year close to the 5-year average.

- A high proportion of Lanarkshire's office supply is modern, with 74% of floorspace built post-1990 and 44% post-2000.

- Take up of office space in Lanarkshire in 2005 was 12% below the level recorded in 2004, but 3% above the 5-year average. By comparison, take-up of office floorspace in Central Scotland decreased by 6% in 2005.

- North Lanarkshire recorded an increase of 23% in take-up of office space in 2005, while take-up in South Lanarkshire declined by 25%.

- Available office space in Lanarkshire at December 2005 represented around 3.5 years' average take-up. South Lanarkshire had just 2.9 years' supply, compared to 4.3 years' supply in North Lanarkshire. On average across Central Scotland there is 3.2 years' supply of office floorspace.

SE Renfrewshire

Industrials

- Industrial supply decreased slightly in the SE Renfrewshire area in 2005. Available floorspace at December 2005 was 7% lower than a year earlier, but still marginally above the 5-year average.

- The decline in supply was mainly in Inverclyde, where available space fell by 20%, compared to a decrease of just 2% in Renfrewshire.

- SE Renfrewshire now has a higher than average proportion of supply in accommodation built post-1990 at 24%, compared to a Central Scotland average of 22%.

- Take-up of industrial floorspace in SE Renfrewshire in 2005 was 48% below the level recorded in 2004, although the number of transactions was 7% higher. By comparison, Central Scotland recorded a rise of 10% in floorspace taken up in 2005 and a 2% rise in the take-up of units.

- The decline in take-up was mainly in large units, with increased take-up of units in sizes under 1,000 sq m, particularly in the 500-999 sq m band.

- Available floorspace in SE Renfrewshire at December 2005 represented 3.4 years' average take-up. Supply of industrial space is lower in Inverclyde, relative to average take-up, at 2.5 years' supply, compared to 3.6 years' supply in Renfrewshire and a Central Scotland average of 3.3 years' supply.

Offices

- Available office and business space in SE Renfrewshire increased by 23% in 2005 and the number of office premises on the market increased by 21%.

- A high proportion of available office floorspace in SE Renfrewshire was built pre-1980 at 51%, compared to only 37% on average across Central Scotland.

- Take up of office space in SE Renfrewshire in 2005 was 53% below the level recorded in 2004 and 13% below the 5-year average. By comparison, take-up of office floorspace in Central Scotland decreased by just 6%.

- Available office space in SE Renfrewshire at December 2005 represented around 2.5 years' average take-up. Across Central Scotland as a whole, there was 3.2 years' supply of office space.

SE Tayside

Industrials

- Available industrial floorspace in Tayside at December 2004 was 9% higher than at December 2004, but close to the 5-year average. The number of industrial units on offer at December 2005 was 9% lower than a year earlier and 18% below the 5-year average.

- During 2005, Perth & Kinross recorded a substantial decrease of 54% in available industrial floorspace, while both Angus and Dundee recorded increases of 28% and 10% respectively.

- Take-up of industrial floorspace in Tayside in 2005 was 54% below the level recorded in 2004 and the number of transactions was 45% lower. This was the lowest level of take-up yet recorded by SPN and in terms of floorspace was 70% below the 5-year average.

- The decline in take-up affected all three local authority areas, but was strongest in Perth & Kinross where take-up of floorspace decreased by 77% from the high level recorded in 2004.

- Available floorspace in Tayside at December 2005 represented 6 years' average take-up. This is a high level of supply relative to average take-up and compares to 3.3 years' supply of floorspace in Central Scotland. The estimated number of years' supply in Perth & Kinross is just 1.3, compared to 6.3 years' supply in Angus and 7.5 years' supply in Dundee.

Offices

- Available office space in Tayside decreased by 10% in 2005, but at December was just 5% below the 5-year average.

- The decline in supply of office space was strongest in Perth & Kinross at 26%, compared to a fall of just 3% in Dundee and a decrease of 9% in Angus

- Take up of office space in Tayside in 2005 was 35% above the level recorded in 2004 and 15% above the 5-year average. Growth was confined to Dundee where take-up of floorspace more than doubled.

- Available office space in Tayside at December 2005 represented around 4.3 years' average take-up. This level of supply is high relative to average take-up and compares to 3.2 years' supply of office space in Central Scotland.